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SUBJECT: FUZHOU ACADEMIC SEES DPP PUSHING INDEPENDENCE BUTTON IN
ELECTION RHETORIC

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accordingly.

¶1. (U) SUMMARY: A renowned scholar of Taiwan believes that the upcoming presidential election will see Chen Shui-bian and other Democratic Progress Party (DPP) candidates continue to advocate independence and consciously stir up ethnic confrontation on the island during their campaigns. Voters in southern Taiwan, despite their dissatisfaction with the DPP administration, remain solid in support of the party for largely historical reasons associated with their opposition to the Kuomintang and the divide in allegiances North and South. In any case, he does not foresee significant change in Taiwan's mainland policy, regardless who wins the presidency. Beijing is concerned about the DPP going too far, but will try to avoid conflict while promoting civil cross-strait exchanges. History is ultimately on the side of the mainland, he believes. END SUMMARY

¶2. (U) At a March 27 meeting with the Consul General and Consulate staff, Professor Wu Nengyuan, Director of the Taiwan Research Institute at the Fujian Social Science Academy, said that over the course of the past 14 years, he has visited Taiwan a dozen times since 1993 and spoken with his friends in Taiwan's political, academic, and business circles, including members of the Democratic Progress Party, have discussed with him recent political developments as well as the DPP's use of the independence issue. For his part, Professor Wu elaborated on concerns about recent political developments, and near future trends in Taiwanese politics.

Confrontation between Northern and Southern Taiwan

¶3. (U) Professor Wu believes that the crux of the Taiwan issue is a confrontation between north and south Taiwan. After the

Kuomintang (KMT) government relocated to Taiwan in 1949, most of its efforts were oriented toward developing the north; few resources were devoted to the South, which remained rural and agrarian. Only in the 1970's did the KMT recognize the divide created by the ensuing income gap and seek to locate large industrial projects in the rural south. As a result, southern farmers and workers continue to resent the KMT and will remain DPP supporters despite their disappointment with the Chen Administration's handling of government affairs, including the economy and relations with mainland China.

DPP Uses Ethnic Confrontation as Political Tool

¶4. (U) Professor Wu observed that some of Taiwan's political parties, especially the DPP, have used ethnic issues to make up for their administrative failings and to improve their standing in elections. While Wu admitted that the island's "complex history" has left some ethnic Taiwanese bitter, the DPP has exacerbated the situation by promoting ethnic confrontation and shaping cross-strait relations into a debate of "unification versus independence."

The Curse of an Independence Driven Ideology

¶5. (U) Wu remarked that during the DPP's seven years in power its leaders have shown a great deal of inconsistency in their positions on cross-strait relations. While some have taken a strict pro-independence stance, others promote integration with the Mainland. He gave three examples: Frank Hsieh, a key DDP leader under Chen Shui-bian and former mayor of Kaohsiung, wanted to visit the Mainland to push the "big three-links." Su Tseng-chang, a presidential candidate, once proposed new

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policies favoring the "three-links" and economic openness toward the Mainland economy after he became Premier. Even Chen Shui-bian, at the start of his presidency, wanted to adopt a

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"new central line" policy. Wu believes these inconsistencies resulted from constraints embedded in the DPP's independence ideology and referred to the "curse of an independence ideology."

The Next Presidential Campaign

¶6. (U) According to Wu, the presidential campaign period, September 2007 through March 2008, will be a critical time for cross-strait relations and poses serious risks. He believes that Chen Shui-bian will try his best to amend the Republic of China's (ROC) Constitution and that Chen Shui-bian is determined to push the amendment issue to preserve his influence in Taiwan's political circles by showing independence fundamentalists that "he will do something." The plan might garner support from some KMT legislators since it also involves internal reforms such as adopting a cabinet-system and changing the number of seats in the Legislative Yuan. The plan thus serves the interests of many opposition legislators who might not vote against it at the last minute.

¶7. (U) Despite previous promises not to lead Taiwan toward independence, Professor Wu pointed out that Chen Shui-bian's recent announcement of "four wants and one no" is exactly contrary to the positions he declared during his presidential inauguration. Chen Shui-bian has now affirmed: "Taiwan needs to become independent, needs to correct its name, needs to make a new constitution, and needs to develop. There is no left or right line issue in Taiwan, but just the problem of unification versus independence."

¶8. (U) While some believe that KMT control of the Legislative Yuan precludes any moves toward independence, Wu believes that Chen might seek alternative methods of ratification such as a referendum. In fact, Wu felt strongly that the DPP has no choice but to move further towards a "deep green" ideology. He based this on the fact that when the DPP was making a bid for the presidency, it campaigned on a promise to be a clean and quality government. In his opinion, the party has failed to keep this promise, failed to manage foreign and internal affairs and suffered from several corruption scandals involving Chen Shui-bian's family. Therefore, he concluded that the only card the DPP has to play is to further stir up ethnic confrontation and raise the independence issue. As evidence, Wu cited the recent television debate held on March 24th among Frank Hsieh, Yu Shyi-kun and Su Tseng-chang. Wu found that each of the three trying to prove that he was "greener" than the other.

Beijing's concerns

¶9. (U) Wu did not directly respond to the Consul General's question about whether Chen Shui-bian's "four wants and one no" had "crossed the line for Beijing," but he acknowledged that Beijing is very concerned about the aggressiveness of Chen and the DPP. Beijing's current top priority is to seize the rare opportunity of a stable global environment to solve many of the Mainland's internal development problems. He asserted that Beijing understands unification with Taiwan will be a very long and difficult process, but it would take action if the DPP crossed its "bottom line" as set out in the Anti-Secession Law. Currently, however, Beijing's Taiwan strategy is to promote more economic, social and cultural exchanges between the people across the strait.

Taiwan's post-Chen mainland policies

¶10. (U) If the KMT wins the 2008 election and Ma Yingjeou becomes the next president, Wu predicts that Ma will not make many changes to Taiwan's mainland policy. Rather, Ma is likely to promote continued economic exchanges and the "three big links." However, Wu believes Ma will face great pressure from DPP "deep green" politicians in implementing his policies. Among the four DPP candidates - Frank Hsieh, Annette Lu, Yu Shyi-kun and Su Tseng-chang - Wu thinks that Hsieh and Su have better

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chances than Yu and Lu because the latter do not have good relations with other DPP members. Regardless who the DPP leader is, Wu predicted that the party would be unable to break free from its ideological constraints and would remain staunchly pro-independent. In Wu's personal opinion, Su Tseng-chang is a politician who compromises quickly, citing Su's position on "name change" as an example. (The "name change" refers to replacing the characters for "China" with "Taiwan" in the titles of government agencies and state-run enterprises.) Professor Wu said that Su did not really support the change but buckled under party pressure.

COMMENT: Let Matters Lie if Taiwan Does not Cross Lines

¶11. (U) Beijing has two major internal goals: to continue economic and social development on the mainland and to regain Taiwan to restore China's territorial integrity. Since Beijing cannot resolve both simultaneously, it has chosen to focus on the former and maintain the status quo on the latter with the hope of a future resolution, without giving up ground to incremental moves by Taiwan toward independence. The upcoming election poses risks for China of rhetorical excesses by pan-Green candidates and disappointments that there will be no new initiatives from a KMT presidential winner. Whether Beijing has any policy other than to continue maintaining the status quo

in the face of little or no change after 2008 is unclear, but from this conversation, at least, it looks more and more as though China does not have a whole lot of options to consider or cards to play.

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